



Office of the Assistant Secretary of the Navy, Financial Management and Comptroller - Office of Financial Operations (FMO)

Assurance & Risk Management Division (A&RMD)

FIP Manager Working Group

17 November 2011

Agenda

Integrated PoAM Overview & Discussion (70 minutes)

Supporting Documentation Testing (30 minutes)

Segment Working Session Recap (20 minutes)



Objectives of Today's Meeting

- Review the updated Integrated Plan of Action and Milestones (PoAM) with FIP Managers
- Share the purpose and value of the Integrated PoAM and Command Financial Improvement Plans (FIPs)
- Outline roles and responsibilities for Integrated PoAM and Command FIP management
- Describe the overall PoAM management process and resources available to support FIP Managers
- Provide a summary of results from the legacy Attribute Sample Testing Program
- Discuss the way forward for Source Documentation Testing and integration with the SBR Assertion Strategy detailed within the Integrated PoAM
- Recap the November Military Pay (MILPAY) and Other Contractual Services (OCS) Working Sessions



Integrated PoAM Overview

The Integrated PoAM is an essential tool to prepare the DON to meet its SBR assertion goal of Q4 2013

- The Integrated Plan of Action and Milestones (PoAM) is a robust and comprehensive audit readiness project plan maintained by FMO A&RMD
- The PoAM was developed to define the DON path to Statement of Budgetary Resources (SBR) audit readiness; promote active collaboration among DON audit readiness stakeholders, and establish accurate timelines and milestones to meet assertion dates

PoAM Structure & Attributes

The Integrated PoAM aligns with critical audit readiness success factors and presents the tasks, roles, responsibilities, and major milestones necessary to prepare the DON for assertion of the SBR in Q4 FY2013

PoAM Sections
1. Financial Environment
1a. Risk Assessment & Planning
1b. PoAM Management & Reporting
1c. TB & Account Reconciliation
1d. Beg. Balance Verification
1e. IT Controls
1f. FY12 Segment Assertions
1g. FY13 Segment Assertions
2. Data/Document Management
3. Governance & Communications
4. Human Resource Management

- ✓ **Tasks:** Alignment to FIAR Guidance
- ✓ **Command-Level Detail:** Tasks to be performed by the DON Commands
- ✓ **Roles & Responsibilities:** Lead Organization POCs Identified
- ✓ **PoAM Management and Risk Assessment Content:** Incorporates Communications Strategy and Top-Down Risk Assessment Approach
- ✓ **Shared Service Providers:** Identified roles and responsibilities
- ✓ **Audit Findings:** GAO, DODIG, FIAR and USMC Lessons learned
- ✓ **Deal Breakers:** FIAR “Deal Breakers” addressed



Objectives and Benefits of the Integrated PoAM

- The Integrated PoAM identifies, assigns, and phases tasks to meet SBR Milestones and segment assertion strategies

Integrated PoAM Objectives

- Plan, program, and monitor actions, tasks, and milestones
- Identify lead and support organizations
- Define roles and responsibilities
- Track and prioritize resources
- Identify Critical Success Factors
- Identify “Deal Breakers” and risks impacting key milestones
- Inform decision-makers on DON Audit Readiness activities and progress

Integrated PoAM Benefits

- Provide an integrated path for DON audit readiness
- Promote active collaboration with service providers including DFAS-CL, DFAS-CO, DCMA, and DLA
- Establish timelines and milestones to meet segment assertion milestones
- Define and apply roles and responsibilities across the DON for audit readiness tasks

DON SBR FIAR Milestones

Navy General Fund	FY10				FY11				FY12				FY13				FY14				FY15				FY16				FY17				Legend
	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4		1	2	3	4					
Wave 1 - Appropriations Received																																	
Appropriations																																	
Wave 2 - Statement of Budgetary Resources																																	
Reimbursable Authority																																	
Civilian Pay																																	
Military Pay																																	
Contracts																																	
MILSTRIP Orders																																	
Reimbursable Work Orders - Grantor																																	
Transportation of People																																	
Net Outlays (incl. FBWT)																																	
Financial Statement Compilation & Reporting																																	
Complete SBR																																	

FIP Development Underway

Discovery

Corrective Action

Audit Readiness Assertion

Validation

Under Audit or Sustainment

Indicates Change from Original Milestone

Full Deployment

Decision (FDD)

Deployment

The Integrated PoAM was developed with input from DON SBR audit readiness stakeholders

FMO A&RMD leveraged FIAR Methodology, coordination with Business Process Standardization (BPS), segment working sessions, and Command and Service provider reviews to develop the Integrated PoAM

FIAR Methodology

- **PoAM tasks are aligned with FIAR Guidance:**
 - ✓ FIAR Methodology Phases
 - ✓ Key Tasks
 - ✓ Activities
 - ✓ Detailed Activities
 - ✓ Resulting Work Products
- Present activities required to successfully compile a segment assertion package

PoAM Working Sessions

- **September:** Command and Service Provider review of PoAM Structure
- **October:** Segment assertion working sessions for ToP, MILSTRIP, RWO P/G and CIVPAY
- **November:** Segment Working Sessions for MILPAY and OCS

**The Integrated PoAM is a living document;
Further refinements will be made along the DON's path to SBR Audit Readiness**



DON Audit Readiness Stakeholders and PoAM Responsibilities

- The development and maintenance of the Integrated PoAM is a collaborative process, requiring active participation from all stakeholders
- The table below outlines the roles and responsibilities of stakeholders in the overall PoAM effort

Stakeholder	Responsibility
FMO A&RMD Segment Program Manager	Lead strategic, risk planning and communication efforts while coordinating assertion package compilation and sustainment plans in the development of the Integrated PoAM and Command FIPs
FMO Division Leads	Liaise within FMO, contributing subject matter expertise to coordinate and ensure plans, activities, and deliverables are adequately developed
Functional Segment Lead	Coordinate with the functional community to provide subject matter expertise, and support an examination by auditors after assertion
FIP Managers	Provide support to Functional Segment Lead and FMO A&RMD Program Manager to execute audit readiness activities (e.g., Command FIPs and monthly status reporting) supporting the development of the Integrated PoAM and examination by auditors after assertion

FIP Managers play a critical role in the PoAM effort through the development and execution of Command FIPs supporting key PoAM Interim Milestones



What is a Command FIP?

Command Financial Improvement Plans (FIPs) are detailed plans to achieve key Command-Level Tasks within the DON PoAM

PoAM Sections

- Command FIPs will integrate with the PoAM around four primary subsections.

PoAM Structure
1. Financial Environment
1a. Risk Assessment & Planning
1b. PoAM Management & Reporting
1c. TB & Account Reconciliation
1d. Beg. Balance Verification
1e. IT Controls
1f. FY12 Segment Assertions
1g. FY13 Segment Assertions
2. Data/Document Management
3. Governance & Communications
4. Human Resource Management

Command-Level Tasks

- Specific tasks within sub-sections of the Integrated PoAM require additional and more detailed Command-level engagement and execution:

- PoAM Management & Reporting
- FY12 Segment Assertions
- FY13 Segment Assertions
- Human Resource Management

- Within these sections, a total of 17 key tasks (12 Segment Assertion tasks and 5 Program Management tasks) require detailed planning and execution, and represent the level at which command activities integrate with Integrated PoAM Milestones



Standard Segment Assertion Tasks for Command FIP Development (Subsections 1.f & 1.g)

FIAR Activity	Command Task	Execution Activities
1.2.3	Provide Requisite Systems Information	Report systems inventory; identify end-users' roles and locations.
1.3.4	Execute Control Tests – 1 st Round	Execute the FMO A&RMD developed test plan to assess the operating effectiveness of identified control activities.
1.4.5	Execute Tests of Existence of Supporting Documentation – 1 st Round	Execute the FMO A&RMD developed test of existence of supporting documentation plan to evaluate the quality of supporting documentation for all relevant financial statement assertions.
2.2	Validate Corrective Action Plans	Based upon results of control and supporting documentation testing, leverage command-level expertise to validate FMO A&RMD's Corrective Action Plan(s).
2.3.1	Develop Budget Estimates for Corrective Action Plans	Provide detailed estimates of required resources needed to execute Corrective Action Plan(s) (i.e. FTEs and funds)
2.3.2	Prepare Budget Justification for Corrective Action Plans	Prepare and submit budget justification/resource management decision materials as needed.
2.4	Execute Corrective Action Plans	Execute systems, process, controls, and documentation changes included in Corrective Action Plan(s).
3.1.1	Update Requisite Systems Information	Prepare for 2nd round of testing - Update systems information based upon results of 1st round of testing and Corrective Action Plan(s).
3.1.1 (c)	Execute Control Tests – 2 nd Round	2nd Round of Control Testing - Execute the FMO A&RMD developed test plan to assess the operating effectiveness of identified control activities.
3.1.2 (c)	Execute Tests of Existence of Supporting Documentation – 2 nd Round	2nd Round of Test of Existence of Supporting Documentation- Execute the FMO A&RMD developed test plan to evaluate the quality of supporting documentation for all relevant financial statement assertions.
4.1	Support Compilation of Process and Systems Documentation	Support FMO A&RMD's compilation of final "audit ready" process and systems documentation that reflects the current, integrated process and systems environment.
4.2	Support Compilation of Assertion Package	Support FMO A&RMD's compilation of test results evaluations, demonstrating that reasonable sufficient and appropriate supporting documentation exists to assert audit readiness.

Standard Segment Assertion Tasks are repeated across all nine segments of the Command FIP



Program Management Tasks for FIP Development (Subsection 1.b & Section 4)

Section/Sub-Section	Command Task	Execution Activities
Sub-Section 1.b – PoAM Management & Reporting	Develop FIP PoAM in Accordance with FMO Integrated PoAM and Deliver to FMO	Develop a Command-specific FIP depicting the detailed tasks, activities and roles and responsibilities the Command will execute to produce the resulting work products in-line with the PoAM established dates and milestones.
Sub-Section 1.b – PoAM Management & Reporting	Deliver monthly FIP PoAM updates to FMO	Actively participate in routine reporting of FIP status to FMO in support of overall program progress monitoring and management.
Section 4.0 – Human Resources Management	Identify and Analyze Personnel Resources	Define roles and responsibilities, assess personnel resource requirements, perform capabilities gap analysis and identify available resources. Perform training assessments and recruit and hire based on capabilities gap analysis
Section 4.0 – Human Resources Management	Perform On-Boarding and Training Duties	Develop and provide on-boarding material to establish assessment and audit teams. Provide materials and execute workshops to educate assessment and audit resources.
Section 4.0 – Human Resources Management	Execute and Sustain Human Resource Tasks	Determine roles and responsibilities and performance metrics of assertion team resources. Communicate expectations to leadership and incorporate assertion teams in governance. Incorporate audit requirements in career paths and position descriptions and execute performance evaluations.

Commands should address the Program Management tasks one time in their Command FIP. Unlike the Segment Assertion tasks, these tasks do not require replication across all nine Segments.



Command FIPs address how Commands will support Key Tasks

FIAR Phase: Command FIPs are aligned to the FIAR Guidance November 2011

Planned Finish: Milestone dates are prepopulated in the Command FIP Template.

Identified POC: Detailed assignment of points of contact increases transparency and accountability

	WBS	FIAR Phase	Task Name	Planned Start	Planned Finish	Lead Organization	Support Organizations	Task Description
65	5		<input type="checkbox"/> RWO-P	Mon 10/3/11	Mon 6/25/12	Command FIP Manager	Command FIP Process Owner	Task Description: Provides addition detail around execution activities to determine level of effort needed to execute
66	5.1	1.2.3	<input checked="" type="checkbox"/> Provide FMO Requisite Systems Information	Mon 10/3/11	Wed 12/7/11	Command FIP Manager	Command FIP Process Owner	Report systems inventory; identify end-users' roles and locations.
71	5.2	1.3.4	<input type="checkbox"/> Execute Control Tests - 1st Round	Mon 10/3/11	Mon 1/30/12	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	Execute the FMO A & RMD developed test plan to assess the operating effectiveness of identified control activities.
			Analyze Control Testing Tool Kit	Thu 12/1/11	Wed 12/14/11	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	FMO A&RMD will distribute Tool Kit prior to Round 1 Control testing which commences on 12/8/11
			Facilitate controls testing training	Fri 10/1/11		Command FIP	Command FIP	Pertains to resources who require training prior to controls testing
			Communicate execution challenges to FMO A&RMD	T 12/1/11				FMO A & RMD will distribute Tool Kit prior to Round 1 Control testing which commences on 12/8/11
			Download sample transactions from FIP Management Tool (MT)	T 12/1/11				FMO A&RMD is expected to provide Commands a transactions sample on 12/8/11

Task Name: All Command Level Tasks detail the roles and responsibilities for the tasks that Command will execute to produce work-products in-line with the dates and milestones in the Integrated PoAM.

Task Detail: Suggested level of detail for Command FIP build out. Each Command should design and manage their execution activities according to their Command requirements.

- ✓ FIP Managers are responsible for developing the execution activities and populating the template columns to support Command Level Tasks
- ✓ To aid FIP Managers in developing their FIPs, an MS Project and Excel FIP Template and Sample FIP will be provided
- ✓ **FIP Managers have the flexibility to design and maintain their execution tasks according to their Command's individual requirements**

Command FIP Template – Level 3 Detail View

WBS	FIAR Phase	Task Name	Planned Start	Planned Finish	Lead Organization	Support Organizations	Task Description
1		[-] Financial Environment	Sat 10/1/11	Mon 9/30/13	Command FIP Manager	Command FIP Process Owner	
1.1		[+] PoAM Maintenance	Wed 11/16/11	Mon 9/30/13	Command FIP Manager	Command FIP Process Owner	
1.2		[-] FY 2012 Segment Assertions	Sat 10/1/11	Wed 10/3/12	Command FIP Manager	Command FIP Process Owner	
1.2.1		[+] RWO-P	Mon 10/3/11	Mon 6/25/12	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	
1.2.2		[+] TOP	Sat 10/1/11	Mon 6/25/12	Command FIP Manager	Command FIP Process Owner	
1.2.3		[+] Civilian Payroll	Sat 10/1/11	Mon 6/25/12	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	
1.2.4		[+] RWO-G	Sat 10/1/11	Mon 6/25/12	Command FIP Manager	Command FIP Process Owner	
1.2.5		[+] MILSTRIPS	Sat 10/1/11	Wed 9/26/12	Command FIP Manager	Command FIP Process Owner	
1.2.6		[+] FCRP	Sat 10/1/11	Wed 9/26/12	Command FIP Manager	Command FIP Process Owner	
1.3		[-] FY 2013 Segment Assertions	Sat 10/1/11	Wed 4/3/13			
1.3.1		[+] OCS	Sat 10/1/11	Fri 12/21/12	Command FIP Manager	Command FIP Process Owner	
1.3.2		[+] FBWT	Sat 10/1/11	Wed 3/27/13	Command FIP Manager	Command FIP Process Owner	
1.3.3		[+] Military Payroll	Sat 10/1/11	Tue 3/26/13	Command FIP Manager	Command FIP Process Owner	
2		Data and Document Management - No Command FIP Development Needed	Thu 10/1/09	Thu 10/1/09			
3		Communications and Governance - No Command FIP Development Needed	Thu 10/1/09	Thu 10/1/09			
4		[-] HR Environment	Mon 10/3/11	Mon 9/30/13	Command FIP Manager	Command FIP Process Owner	

The Command FIP template:

- ✓ Mirrors the Integrated PoAM Structure
- ✓ Identifies areas for further Command input and build out
- ✓ Outlines critical timelines and milestones



Command FIP – Level 5 Detail View

- The Command FIP Template highlights tasks that require active and direct Command engagement and includes place holders for further detailed Command input.

WBS	FIAR Phase	Task Name	Planned Start	Planned Finish	Lead Organization	Support Organizations	Task Description
1		Financial Environment	Sat 10/1/11	Mon 9/30/13	Command FIP Manager	Command FIP Process Owner	
1.1		PoAM Maintenance	Wed 11/16/11	Mon 9/30/13	Command FIP Manager	Command FIP Process Owner	
1.2		FY 2012 Segment Assertions	Sat 10/1/11	Wed 10/3/12	Command FIP Manager	Command FIP Process Owner	
1.2.1		RWO-P	Mon 10/3/11	Mon 10/3/11			
1.2.1.1	1.2.3	Provide FMO Requisite Systems Information	Mon 10/3/11	Mon 10/3/11			systems inventory; identify roles and locations.
1.2.1.1.1		Insert Command FIP Task Here	Mon 10/3/11	Mon 10/3/11			
1.2.1.1.2		Insert Command FIP Task Here	Mon 10/3/11	Mon 10/3/11			
1.2.1.1.3		Insert Command FIP Task Here	Mon 10/3/11	Mon 10/3/11			
1.2.1.2	1.3.4	Execute Control Tests - 1st Round	Mon 10/3/11	Mon 1/30/12	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	Execute the FMO A & RMD developed test plan to assess the operating effectiveness of identified control activities.
1.2.1.2.1		Insert Command FIP Task Here	Mon 10/3/11	Mon 10/3/11			
1.2.1.2.2		Insert Command FIP Task Here	Mon 10/3/11	Mon 10/3/11			
1.2.1.2.3		Insert Command FIP Task Here	Mon 10/3/11	Mon 10/3/11			
1.2.1.3	1.4.5	Execute Tests of Existence of Supporting Documentation - 1st	Mon 10/3/11	Mon 1/30/12	Command FIP Manager	Command FIP Process Owner	Execute the FMO A & RMD developed test of existence of
1.2.1.4	2.2	Validate Corrective Action Plans	Mon 10/3/11	Tue 3/27/12	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	Based upon results of control and supporting documentation testing, leverage command-level expertise to validate FMO A & RMD.

Each Segment break-out includes the 12 critical tasks that a Command must address in each Segment assertion

Command FIP Template will have place-holders for FIP Managers to insert supporting subtasks



Command FIP Sample

- An example Command FIP will be provided to Commands and will also be available on the FIP Tool

WBS	FIAR Phas	Task Name	Planned Start	Planned Finish	Lead Organization	Support Organizations	Task Description
5		<input type="checkbox"/> RWO-P	Mon 10/3/11	Mon 6/25/12	Command FIP Manager	Command FIP Process Owner	
5.1	1.2.3	<input type="checkbox"/> Provide FMO Requisite Systems Information	Mon 10/3/11	Wed 12/7/11	Command FIP Manager	Command FIP Process Owner	Report systems inventory; identify end-users' roles and locations.
5.1.1		Provide inventory of segment systems	Mon 10/3/11	Wed 11/16/11	Command FIP Manager	Command FIP Process Owner	Leverage Document Retention Matrix which is due 11/16/11
5.1.2		Provide User Access Lists for Command-specific systems	Wed 10/5/11	Wed 12/7/11	Command FIP Manager	Command FIP Process Owner	Leverage input from Command technology SME
5.1.3		Provide list of planned retired Command-specific systems	Wed 10/5/11	Wed 12/7/11	Command FIP Manager	Command FIP Process Owner	Leverage input from Command technology SME
5.1.4		Electronically store SAAR forms for all prior and previous system end-users	Mon 10/3/11	Wed 12/7/11	Command FIP Manager 123-456-7890		
5.2	1.3.4	<input type="checkbox"/> Execute Control Tests - 1st Round	Mon 10/3/11	Mon 1/30/12	Command FIP Manager 123-456-7890	Process Owner 123-456-7890	to assess the operating effectiveness of identified control activities.
5.2.1		Analyze Control Testing Tool Kit	Thu 12/1/11	Wed 12/14/11	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	FMO A&RMD will distribute Tool Kit prior to Round 1 Control testing which commences on 12/8/11
5.2.2		Facilitate controls testing training	Fri 10/7/11	Wed 12/14/11	Command FIP Manager	Command FIP Process Owner	Pertains to resources who require training prior to controls testing
5.2.3		Communicate execution challenges to FMO A&RMD	Thu 12/1/11	Wed 12/14/11	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	FMO A & RMD will distribute Tool Kit prior to Round 1 Control testing which commences on 12/8/11
5.2.4		Download sample transactions from FIP Management Tool (MT)	Tue 12/13/11	Wed 12/14/11	Command FIP Manager	Command FIP Process Owner	Download sample transactions from FIP Management Tool (MT) on 12/13/11
5.2.5		Align Command resources to fulfill control testing strategy requirements	Mon 10/3/11	Mon 1/30/12	Command FIP Manager 123-456-7890	Command FIP Process Owner 123-456-7890	Command resource alignment for Round 1 testing was initiated with PoAM development activities and concludes at the end of Round 1

The Command FIP Sample includes a build-out of all 17 Command-Level tasks (12 Segment Assertion tasks and 5 Program Management tasks) identified in the Integrated PoAM

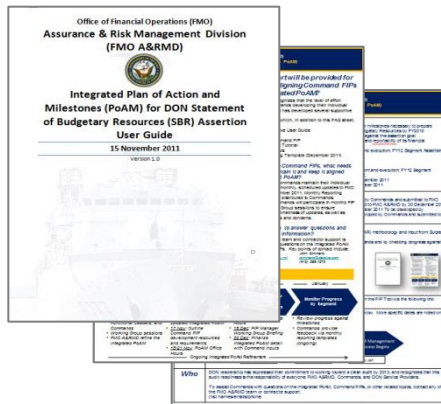
The Sample Command FIP will provide an example of subtasks that a Command may need to perform to meet each Command-Level task



Integrated PoAM and Command FIP Support Resources

To minimize the level of effort and aid Commands with the development of their FIPs, FMO A&RMD will provide the Commands with the following information and resources to support their FIP development:

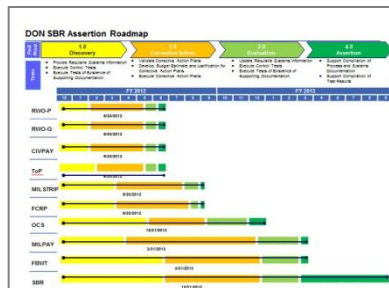
Integrated PoAM Package



Sample Command FIP & Template

Item	Item Name	FIP Number	Command	Command Type	Command Status	Command Description	Command Owner	Command Reviewer	Command Approval
1	1.1	1.1.1	1.1.1.1	1.1.1.1.1	1.1.1.1.1.1	1.1.1.1.1.1.1	1.1.1.1.1.1.1	1.1.1.1.1.1.1	1.1.1.1.1.1.1
2	2.1	2.1.1	2.1.1.1	2.1.1.1.1	2.1.1.1.1.1	2.1.1.1.1.1.1	2.1.1.1.1.1.1	2.1.1.1.1.1.1	2.1.1.1.1.1.1
3	3.1	3.1.1	3.1.1.1	3.1.1.1.1	3.1.1.1.1.1	3.1.1.1.1.1.1	3.1.1.1.1.1.1	3.1.1.1.1.1.1	3.1.1.1.1.1.1
4	4.1	4.1.1	4.1.1.1	4.1.1.1.1	4.1.1.1.1.1	4.1.1.1.1.1.1	4.1.1.1.1.1.1	4.1.1.1.1.1.1	4.1.1.1.1.1.1
5	5.1	5.1.1	5.1.1.1	5.1.1.1.1	5.1.1.1.1.1	5.1.1.1.1.1.1	5.1.1.1.1.1.1	5.1.1.1.1.1.1	5.1.1.1.1.1.1
6	6.1	6.1.1	6.1.1.1	6.1.1.1.1	6.1.1.1.1.1	6.1.1.1.1.1.1	6.1.1.1.1.1.1	6.1.1.1.1.1.1	6.1.1.1.1.1.1
7	7.1	7.1.1	7.1.1.1	7.1.1.1.1	7.1.1.1.1.1	7.1.1.1.1.1.1	7.1.1.1.1.1.1	7.1.1.1.1.1.1	7.1.1.1.1.1.1
8	8.1	8.1.1	8.1.1.1	8.1.1.1.1	8.1.1.1.1.1	8.1.1.1.1.1.1	8.1.1.1.1.1.1	8.1.1.1.1.1.1	8.1.1.1.1.1.1
9	9.1	9.1.1	9.1.1.1	9.1.1.1.1	9.1.1.1.1.1	9.1.1.1.1.1.1	9.1.1.1.1.1.1	9.1.1.1.1.1.1	9.1.1.1.1.1.1
10	10.1	10.1.1	10.1.1.1	10.1.1.1.1	10.1.1.1.1.1	10.1.1.1.1.1.1	10.1.1.1.1.1.1	10.1.1.1.1.1.1	10.1.1.1.1.1.1

Integrated PoAM Roadmap



PoAM Office Hours

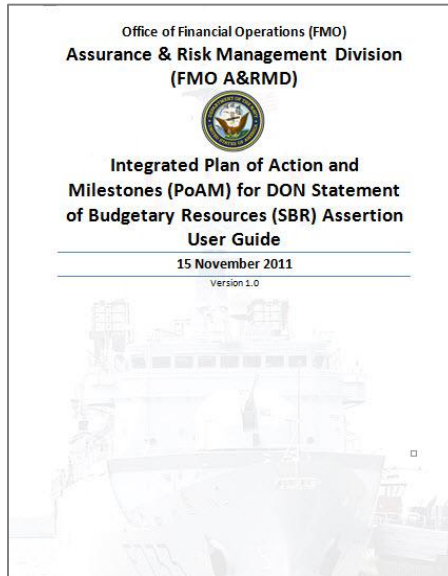


All Support Resources are available on the FIP Tool

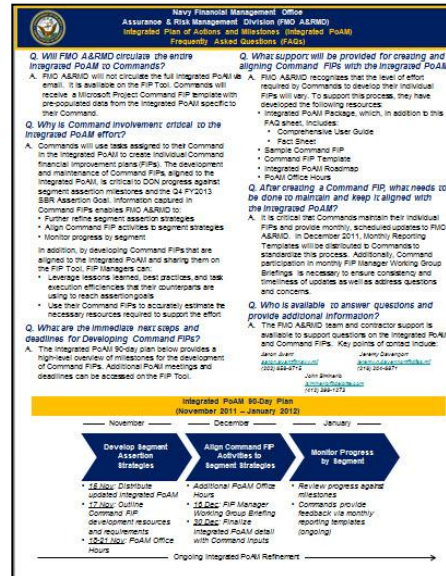


PoAM Support Resources - Integrated PoAM Package

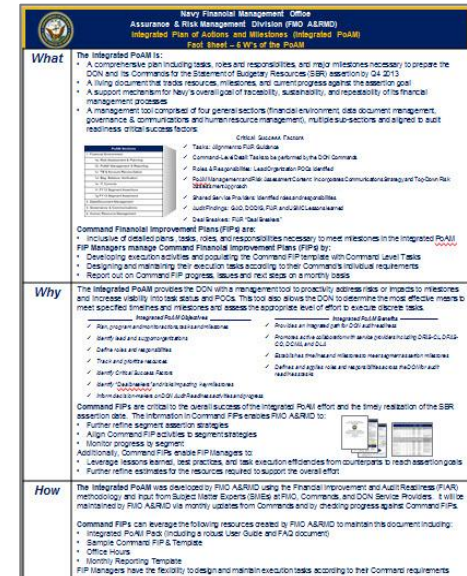
The Integrated PoAM Package is the one-stop-shop for information and step-by-step instructions for FIP Managers as they develop their Command FIPs. Components include:



- A robust **User Guide** outlines:
- ✓ Integrated PoAM Purpose & Structure
 - ✓ Command FIP Development
 - ✓ Management & Milestones
 - ✓ Support Resources



Frequently Asked Questions (FAQs) highlight answers to key Command questions and concerns



The **Integrated PoAM Fact Sheet** provides the “5 W’s” of the Integrated PoAM effort: Who, What, Where, When, Why, and How



PoAM Support Resources – Office Hours

Office Hours provide FIP Managers with the opportunity to address questions and concerns with FMO A&RMD as they develop their FIPs

Possible topics include:

- Integrated PoAM review (design, structure, and general segment assertion strategies)
- Command FIP development (tasks, milestones, resources, etc.)
- Technology considerations
- Monthly management process

Each Command can attend Office Hours any time during their scheduled two-hour time slot – in person or virtually. FIP Managers will receive an Outlook calendar invitation.

Logistics Info for 18-21 November Office Hours:

At Washington Navy Yard:

- Meetings will be held in Building 36, Room 106

Via Phone:

- Call-in #: 888-998-2663
- Passcode #: 1232612

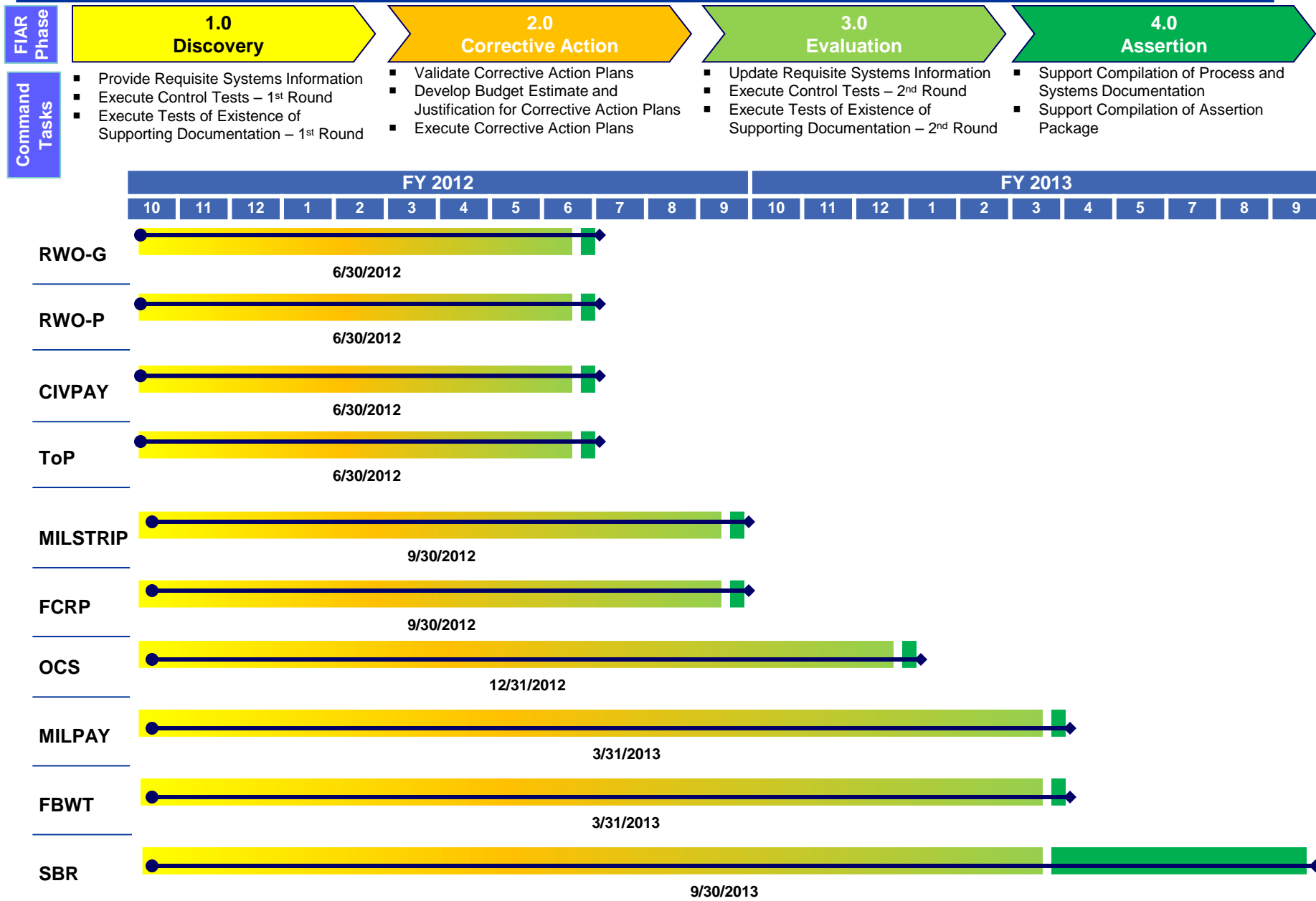
Office Hours	Commands
18 Nov. 1430 – 1630 EST	BUPERS, BUMED, FSA, NAVFAC, NAVSEA, PACFLT, RESFOR, SPAWAR HQ, SSP
21 Nov. 1300 – 1500 EST	CNIC, DON/AA, FFC, MSC, NAVAIR, NAVSUP, NSMA, ONI, ONR, SECWAR

Additional Office Hours will be scheduled from 28 November - 9 December. Command calls will also be held from 26-30 December, and will be by appointment.

FIP Managers are strongly encouraged to take advantage of these Office Hours as they develop their FIPs in support of the 30 December deadline

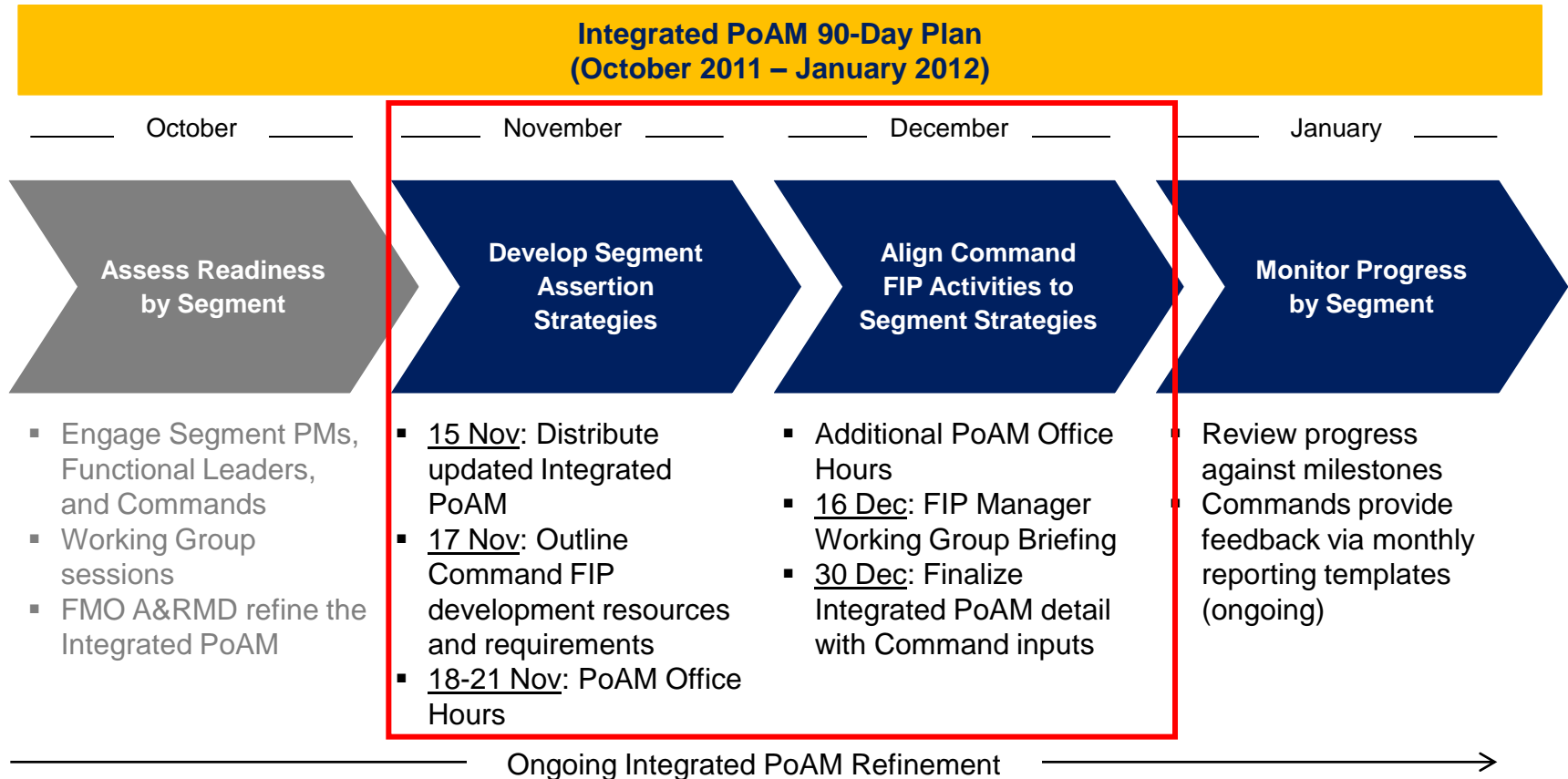


Command FIP Tasks Support SBR Assertion Milestones



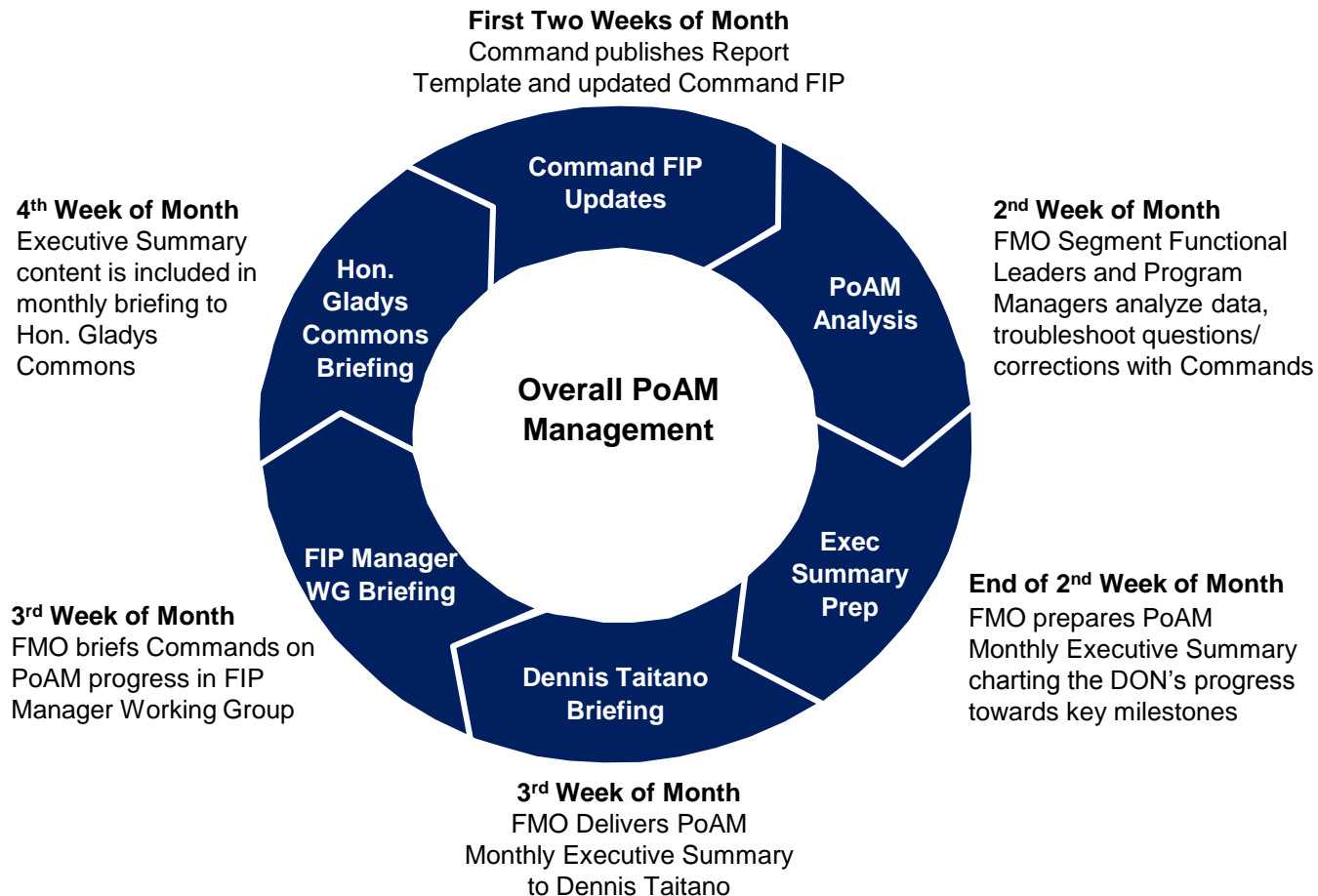
Immediate Milestones & Command Actions

There are several important short-term milestones for FIP Managers related to the refinement of the Integrated PoAM and development of Command FIPs:



Ongoing Process Management & Expectations

Beginning in January, an ongoing management and monitoring process of assertion readiness activities will begin. This process informs Senior Management, FMO, Functional Segment Leads, Commands, and other FIP stakeholders about progress against Integrated PoAM milestones.



Supporting Documentation Testing

Summary of SBR Testing Results

Previous Testing Results

Stage 1

- Completed: 14 February 2011
- Samples received: 1,156 of 1,600 (72.25%)
- Samples tested: 1,156 of 1,156 (100%)
- Samples passed: 152 of 1,156 (13.15%)

Stage 2

- Completed: 13 May 2011
- Samples received: 1,310 of 1,800 (72.78%)
- Samples tested: 1,310 of 1,310 (100%)
- Samples passed: 435 of 1,310 (33.21%)

Stage 3

- Completed: 15 August 2011
- Samples received: 434 of 568 (76.41%)
- Samples tested: 434 of 434 (100%)
- Samples passed: 204 of 434 (47.00%)

Accomplishments

- Provided testing feedback to FMO and Commands
 - Enabled commands to provide additional documentation where applicable
- Identified areas of concern
 - Processes and policies in place
 - Posting logic issues
 - Gathering and retention of source documentation
- Proposed strategic pause in the testing timeline and provided lessons learned to commands and FMO

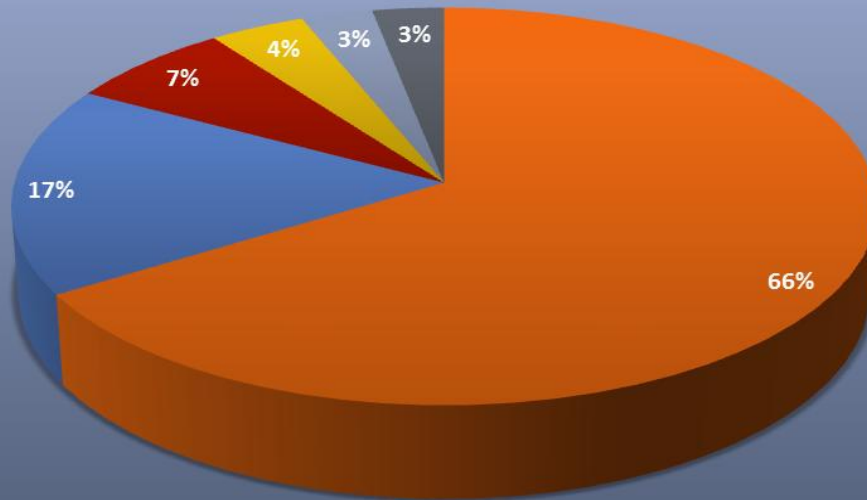
Way Forward

- Develop Corrective Action Plans
 - Command Specific
 - DON Wide
- Perform Beginning Balance Verification



Analysis of Identified Issues

The Testing Team, in conjunction with FMO, has evaluated the exceptions noted during testing efforts and grouped them into the following buckets:



Issues Identified

- Missing and insufficient supporting documentation (66%)
- Incorrect Line of Accounting (LOA) (17%)
- Posting Logic Errors (7%)
- Improper USSGL (4%)
- Incorrect Accounting Period (3%)
- Amount recorded does not agree to supporting documentation (3%)

The percentages are relative to the samples tested during Stages 2 and 3.



Way Forward – Integrate SBR Program into the DON Audit Readiness Approach

PoAM Section

FY 12
Segment
Assertions

FY 13
Segment
Assertions



Beginning
Balance
Verification



Integration Activities

Develop Corrective Action Plans (CAP)		
Task	Owner	Supporting Organization
• Link exceptions to existing controls	Testing Team	FMO
• Develop preliminary CAP <ul style="list-style-type: none"> • Command Specific or DON Wide 	Testing Team	FMO
• Validate CAP with Commands	Testing Team	FMO / Commands
• Incorporate CAP into the PoAM	Commands	FMO
• Implement CAP and perform control testing	Commands	FMO

Beginning Balance Testing		
Task	Owner	Supporting Organization
• Finalize Line Items / GL accounts and fiscal years required for validation	FMO	Testing Team
• Develop validation procedures and integrate into the PoAM	Testing Team	FMO
• Perform validation procedures and report results	Testing Team	FMO / Commands



Next Steps – Schedule Meetings to Validate Corrective Action Plans

- Provide detailed testing results to Commands for transparency
- Optional meetings with individual Commands to answer questions regarding detailed test results and associated Corrective Action Plans
 - Please contact Scott Nuckols (thomas.nuckols.ctr@navy.mil) if your Command would like to schedule a meeting



SBR Testing Update - Appendix

SBR Testing Exceptions & Definitions

Exception Type	Definition
Incorrect Line of Accounting (LOA)	Transactions noted with this type of exception were the result of financial transaction postings to the incorrect LOA. As a result of these entries, there may be a misallocation of budgetary resources.
Improper USSGL Posting	Transactions noted with this type of exception resulted from inaccurate and/or untimely entries to the incorrect USSGL account. As a result of these entries, there may be a misallocation and misstatement of budgetary resources.
Incorrect Accounting Period	Transactions noted with this type of exception resulted from untimely entries into the accounting system. These untimely postings include the following transactions: de-obligations of cancelled orders from prior-year, payments of obligations, and upward adjustments of prior-year obligations. As a result of these entries, there may be a misallocation and misstatement of budgetary resources.
Amount recorded does not agree to supporting documentation	Transactions noted with this type of exception were the result of financial transaction postings reflecting the incorrect amount. As a result of these entries, there may be a misallocation and misstatement of budgetary resources.



SBR Testing Results Exceptions & Definitions...cont.

Exception Type	Definition
Posting Logic Errors (Credit Card Transactions)	Transactions noted with this type of exception were the result of financial transaction postings to the incorrect account and accounting period due to the system posting logic for credit card transactions. As a result of these entries, there may be a misallocation and misstatement of budgetary resources.
Posting Logic Errors (Other Transactions)	Transactions made to reallocate expenses between two different lines of accounting are incorrectly posting to prior-year recovery and adjustment USSGL accounts. Failure to properly design accounting systems which prevent these postings may result in misallocation and misstatement of budgetary resources.
Missing and Insufficient Supporting Documentation	Transactions noted with these exceptions were the result of missing and/or insufficient supporting documentation. Missing documentation observed in testing of transactions includes obligation documentation, reconciliation documentation, delegation of authority letters, cardholder memo statements, invoices, and payment vouchers.



Segment Working Session Recap

OCS Recap

Other Contractual Services (OCS)	A&RMD Program Manager		
	Aaron Avant	aaron.avant@navy.mil	202-658-6704
	Erica Mehm	emehm@deloitte.com	202-685-6750

SEGMENT SCOPE				ACCOMPLISHMENTS	
<ul style="list-style-type: none"> ➤ Reached consensus that Other Contractual Services (OCS) will include both Vendor Pay, Contract Pay, and Purchase Card 				<ul style="list-style-type: none"> ➤ Included participation from service providers, commands, ARM&D, BPS, and the functional community ➤ Refined the listing of KCO/KSD by assertion and confirmed the existing inventory of controls ➤ Compared FIP controls to BPS controls for conformity ➤ Identified KCOs where additional controls are needed for documentation and testing purposes 	
ASSERTION STRATEGY*				ACTION ITEMS:	
Assertion	KCO**	Control Activities	KSD	<ul style="list-style-type: none"> ➤ Integrate MDAP controls into OCS toolkit and leverage lessons learned within the segment assertion strategy ➤ Coordinate targeted walkthroughs with Commands to include additional controls needed to satisfy KCO's ➤ Review processes/controls identified by Service Providers and include in the segment assertion strategy ➤ Refine the scope and handoffs to existing segments ➤ Continue to work with BPS on Control Identification and Alignment 	
Existence & Occurrence	8	15 manual 3 automated	5		
Completeness	4	7 manual 3 automated	6		
Rights and Obligations	5	11 manual 4 automated	5		
Valuation	3	3 manual 2 automated	6		
Presentation & Disclosure	3	6 manual 2 automated	5		

*Please note that counts may change based on outcome of future rationalization efforts as the assertion date approaches

**One KCO/CA may support multiple assertions/KCOs



MILPAY Recap

Military Pay	A&RMD Program Manager		
	Erica Gaddy	Erica.gaddy@navy.mil	202-685-0791
	Gregory Zawada	Gregory.zawada@navy.mil	202-685-6713
	Pamela Marcinko	Pamela.marcinko1.ctr@navy.mil	202-685-6793

SEGMENT SCOPE				ACCOMPLISHMENTS	
<ul style="list-style-type: none"> ➤ Reached consensus that Military Pay includes personnel processes, payroll processes, disbursing and accounting. 				<ul style="list-style-type: none"> ➤ Agreed to the KCO's, KSDs and Control Activities identified ➤ Identified potential issues related to the number of key supporting documents, cutoff due to monthly processes, and the lack of receivables in STARS-FL 	
ASSERTION STRATEGY*				ACTION ITEMS:	
Assertion	KCO**	Control Activities	KSD	<ul style="list-style-type: none"> ➤ Reach out to DFAS POC assigned to MILPAY and discuss potential issues (i.e., obtaining disbursement documentation; reconciliation of "bulk" disbursements and the large number of JV entries) ➤ Review sub-processes and compare to FIP documentation to ensure no gaps exist ➤ Follow up with BUMED and Reserve Force to gain an understanding of respective business processes and control activities: ➤ Identify and incorporate automated Control Activities 	
Existence & Occurrence	8	Manual Automated	13+		
Completeness	3	Manual Automated	8		
Rights and Obligations	5	Manual Automated	17+		
Valuation	3	Manual Automated	1		
Presentation & Disclosure	3	Manual Automated	1		

*Please note that counts may change based on outcome of future rationalization efforts as the assertion date approaches

**One KCO/CA may support multiple assertions/KCOs



Upcoming Topics In December and January

In addition to our continued focus on the build-out of Command FIPs and alignment with the Integrated PoAM, there are several additional and important upcoming initiatives within the DON Financial Improvement and Audit Readiness:

- **Navy Working Capital Fund (NWCF):** Lessons learned and Next Steps
- **Mission Critical Asset - Existence & Completeness:** Assertion Strategy and PoAM Development
- **SBR Segments:** Assertion Strategy Roll-out
- **Memorandums of Understanding (MOUs)**

